

**PROPOSED REGULATIONS BY DLSE TO IMPLEMENT  
THE PROVISIONS OF AB 1688  
GOVERNING ENFORCEMENT AND REGISTRATION  
IN THE CAR WASH INDUSTRY  
Title 8, California Code of Regulations  
Division 1, Chapter 6, Subchapter 11  
Section 13694**

**FINAL STATEMENT OF REASONS**

**UPDATE OF INITIAL STATEMENT OF REASONS**

As authorized by Government Code ' 11346.9(d), the Labor Commissioner incorporates the Initial Statement of Reasons prepared in this matter.

**LOCAL MANDATES DETERMINATION**

These regulations impose no mandates on local agencies or school districts.

**SUMMARY AND RESPONSE TO COMMENTS:**

During the public comment period following issuance of proposed regulations contained in Section 13694, written comments were received from the following persons: 1) Chuck Brassfield, Capitol Premier Car Wash, San Jose, CA(BRASSFIELD); 2) Michael Majid (M.MAJID); 3) Thompson Fetter, T. Fetter & Co., Inc., San Diego, CA (FETTER); 4) Stephen Mirabito (MIRABITO); 5) Becky Monroe, Bet Tzedek Legal Services (MONROE); 6) Lilia Esther Garcia (GARCIA); 7) Betty Hung, LAFLA (HUNG); 8) Elizabeth Sunwoo, Multi-Ethnic Immigrant Worker Organizing Network (SUNWOO); 9) Josh Stehlik, NLS of LA County (STEHLIK); 10) Alejandra Domenzain, Sweatshop Watch (DOMENZAIN); 11) Steve Arredondo, Traber & Voorhees (ARREDONDO); 12) Judy Marblestone, Asian Pacific American Legal Center of Southern California (APALC); 13) Assembly Member Jackie Goldberg, (GOLDBERG); 14) Hamid Khan, South Asian Network (SAN).

During the public hearing held on June 21, 2005 in Los Angeles regarding this proposed regulation as well as the proposed regulations contained in Sections 13680 to 13693, oral comments were received from the following persons: 1) Sam Olivito, Western Carwash Association (WCA); 2) Patrick Shea, WCA; 3) Jose Tello, NLS of LA County; 4) Anel Flores, LAFLA; 5) Alejandra Domenzain, Sweatshop Watch; 6) Anita Garcia, UCLA Labor Center; 7) Becky Monroe, Bet Tzedek Legal

Services (Employment Rights Project); 8) Gilda Rodriguez, NLS of LA County; 9) Assembly Member Jackie Goldberg; 10) Victor Narro, UCLA Labor Center; 11) Raul Ariano; 12) Timothy Kolesnikow; 13) Itzel Williams, Dept of Labor Occupational Safety and Health, UCLA; 14) Betty Hung, LAFLA; 15) Josh Stehlik, NLS of LA County.

### **Summary of General Comments**

General comments concerning the legislation itself and not the regulations were submitted by Car Wash owners HUTCHINSON, BRASSFIELD, RANDALL, RODRIGUEZ, TUGARI, WATERS, M. MAJID, BOOT, LEZIN, FETTER, HOOPER and MIRABITO who stated that the singling out of the car wash industry for registration was unfair and that existing labor laws concerning the payment of minimum wage, overtime, and enforcement of the tax laws and safety laws should be sufficient to deal with the problems in the car wash industry. The problems in the car wash industry are due to a lack of law enforcement. The majority of the industry are in compliance and should not be penalized. The surety bond should not be required. The expense of a registration fee is unfair. The car wash registration law and regulations burden the industry and will result in fewer car washes and will eliminate jobs.

Raul Ariano, a car wash worker, testified at the public hearing concerning conditions facing some car wash workers in the industry. He stated that some workers were paid less than minimum wage and some were paid tips only. There was no payment for overtime, no rest breaks and wages were paid late. He also testified as to some serious health and safety violations.

Becky Monroe of Bet Tzedek Legal Services also submitted a videotape of television news footage that was aired by KVEA and KNBC on May 15, 2003 concerning conditions in the car wash industry.

General comments concerning the delay in the implementation of AB 1688 were submitted by Assembly Member Jackie Goldberg and all of the worker advocate group representatives. Registration fees should have been collected starting January 1, 2004 and the Car Wash Worker Restitution Fund has suffered by failure to collect the fees, as have car wash workers who have been unable to access the Fund for payment of damages. AB 1688 was enacted in response to the need for protection of workers in the Car Wash industry where there are violations of wage and hour and health and safety laws.

### **Response to General Comments**

With the passage of AB 1688, the Legislature made the determination that regulation and registration of the Car Wash industry was within the police power of the state. Registration, a surety bond, information concerning the business and its owners, are all required by statute. The regulations cannot

undercut these statutory requirements and are being promulgated to effectuate the purposes of the act.

### **Summary of Specific Comments to the Regulations and Response**

See attached Table.

### **ALTERNATIVES DETERMINATION**

The Labor Commissioner has determined that no alternative would be more effective in carrying out the purposes for which these regulations are proposed or would be as effective and less burdensome to affected private persons than these regulations.